

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jim Noel
Cabinet Secretary

Karen W. Garcia
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



October 20, 2010

Mr. Ronnie Slack
Devon Energy Production Company, LP
20 North Broadway
Suite 1500
Oklahoma City, OK 73102

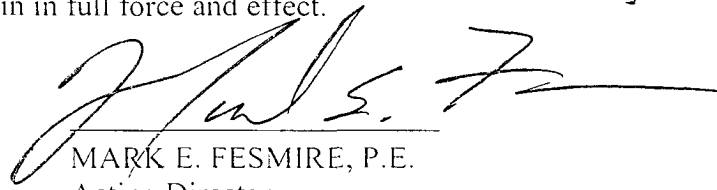
RE: Disposal Permit SWD-1235 Conditional Requirements

Chimayo 16 State Well No. 3 (API 30-015-38105)
1610 FNL 1455 FWL, F/Sec 16, T25S, R29E, NMPM, Eddy County, New Mexico
Bell Canyon and Cherry Canyon Disposal from approx. 3,000 to 4,200 feet

The Division has today received your proof of work required under the captioned permit.

It appears Devon has satisfactorily cemented the Chimayo 16 State Well No. 1 30-015-31781 from 3230 to 1860 feet. This Area of Review well located near the Chimayo 16 State Well No. 3, no longer appears as a possible conduit of disposed water out of the permitted disposal interval.

All other requirements in SWD-1235 which governs disposal into this well and in Division Rules 19.15.26 NMAC which govern all disposal wells remain in full force and effect.


MARK E. FESMIRE, P.E.
Acting Director

MEF/wvj

cc: Oil Conservation Division – Artesia
State Land Office – Oil, Gas, and Minerals Division

Jones, William V., EMNRD

From: Slack, Ronnie [Ronnie.Slack@dvn.com]
Sent: Wednesday, October 20, 2010 8:13 AM
To: Jones, William V., EMNRD
Cc: Crowdis, Brad; Cromer, James
Subject: Chimayo 16 State #3_SWD 1235_30-015-38105

Will,

Please find attached pdf file of a CBL run in the Chimayo 16 State #1 (30-015-31781).

As per conditions of approval of injection into the Chimayo 16 State #3, (Injection Interval 3000'-4200'), we were required to raise TOC in the offset well Chimayo 16 State #1 from approximately 3270' to several hundred feet above the 3000' top of permitted disposal zone. Original TOC on this well was at 3290'. A 200 sx braden head squeeze procedure was performed on the 8-5/8" X 5-1/2" casing annulus. The attached CBL was run from 3500'-1600'. TOC is noted at approximately 1860'. There is a void from 3230' to 3290'.

We will forward hard copies of the CBL to you and the appropriate OCD office once we get them.

Our Chimayo 16 State Well #3 SWD has been drilled and is waiting on completion, pending approval status of the Chimayo 16 State #1 cement squeeze.

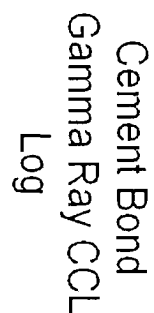
Let me know if you need any further information at this time.

Thank you,

Ronnie Slack
Operations Technician
Devon Energy Corporation
CT 3.033
(405) 552-4615 (office)
(405) 552-1415 (fax)
Email: Ronnie.Slack@dvn.com

Chimayo 16 State 1 CBL 2010-10-18.pdf

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Company	Devon Energy
Well	Chimayo 16 State #1
Field	Willow Lake- Bone Springs
County	Eddy
State	New Mexico

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Well	Chimayo 16 State #1
Field	Willow Lake- Bone Springs
County	Eddy
State	New Mexico

Location:	API # : N/A	Other Services
	660' FNL & 1980' FWL	JB/GR
SEC 16	TWP 25S	RGE 29-E
Permanent Datum	Ground Level	Elevation
Log Measured From	12 ft	
Drilling Measured From	Kelly Bushing	
		K.B. 3000'
		D.F. 2999'
		G.L. 2998'

Date	10-18-2010						
Run Number	One						
Depth Driller	9300'						
Depth Logger	3601'						
Bottom Logged Interval	3500'						
Top Log Interval	1600'						
Open Hole Size	7.825						
Type Fluid	water						
Density / Viscosity	N/A						
Max. Recorded Temp.	N/A						
Estimated Cement Top	1860'						
Time Well Ready	16:30						
Time Logger on Bottom	SEE LOG						
Equipment Number	57-C						
Location	Hobbs NM						
Recorded By	M.Perez						
Witnessed By	Steve Conner						
Borehole Record				Tubing Record			
Run Number	Bit	From	To	Size	Weight	From	To
Casing Record		Size		Wgt/Ft		Top	Bottom
Surface String							
Prod. String							
Production String		5.5		17		Surface	T.D
Liner							

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All interpretations are opinions based on inferences from electrical or other measurements and we cannot and do not guarantee the accuracy or correctness of any interpretation, and we shall not, except in the case of gross or willful negligence on our part, be liable or responsible for any loss, costs, damages, or expenses incurred or sustained by anyone resulting from any interpretation made by any of our officers, agents or employees. These interpretations are also subject to our general terms and conditions set out in our current Price Schedule.

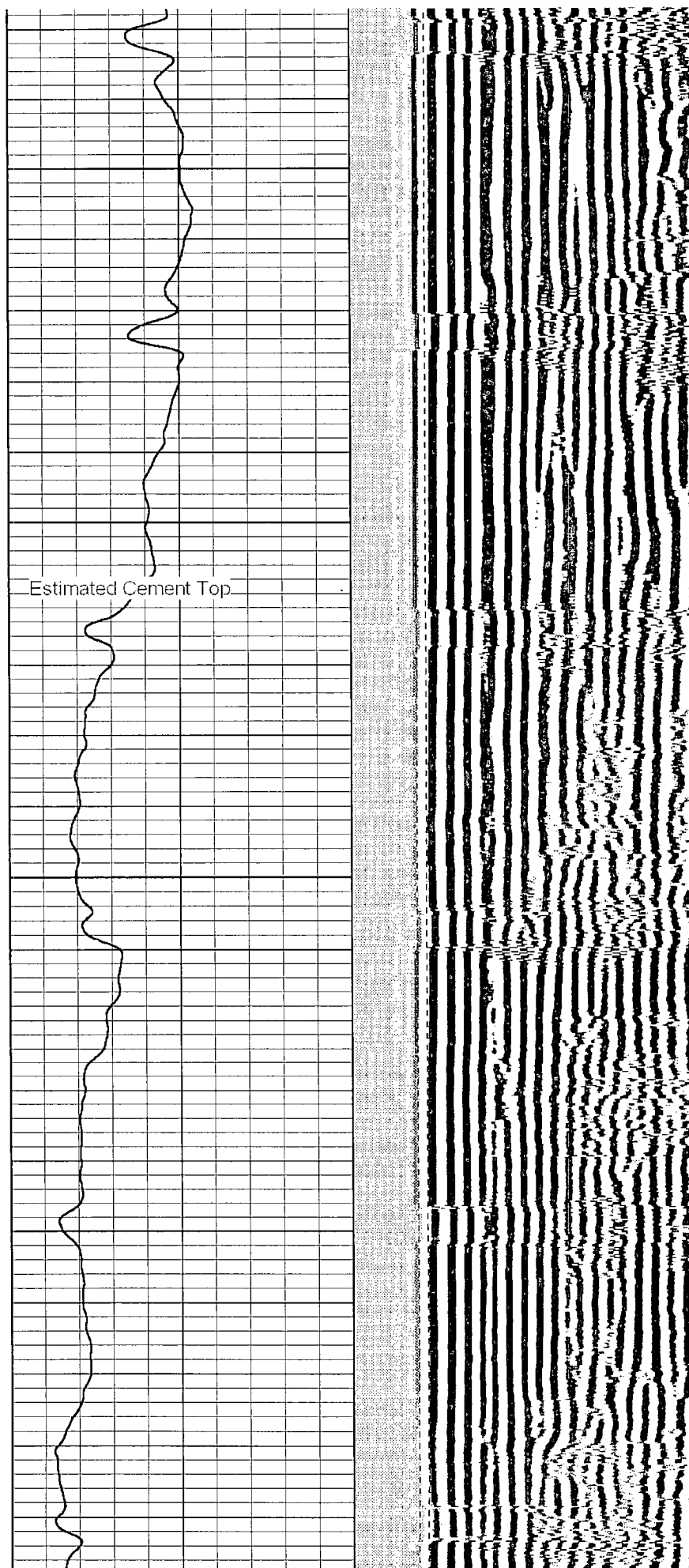
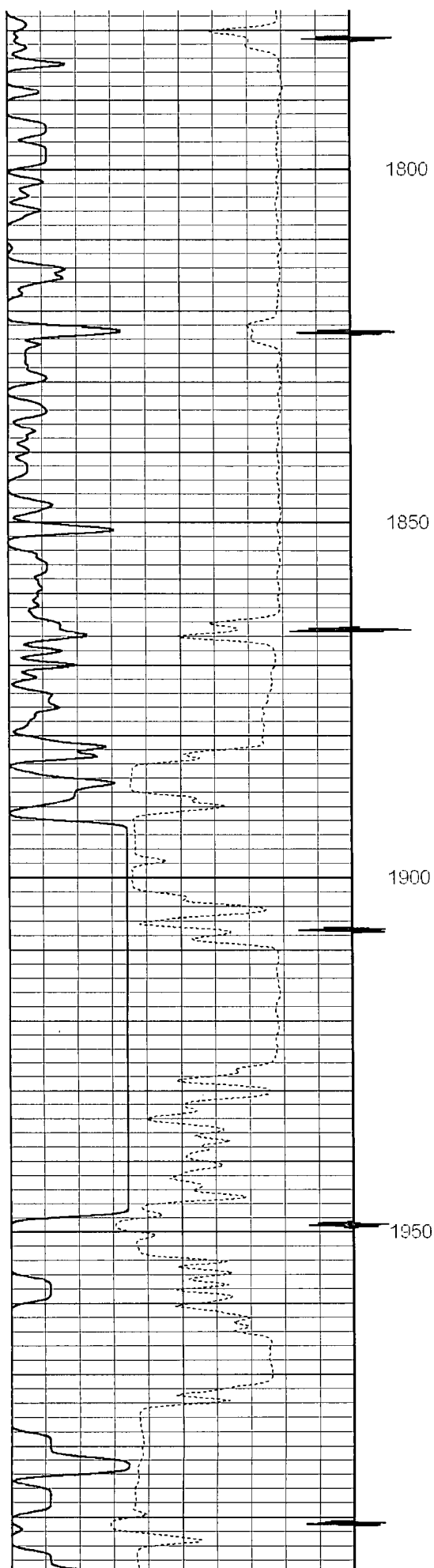
Comments

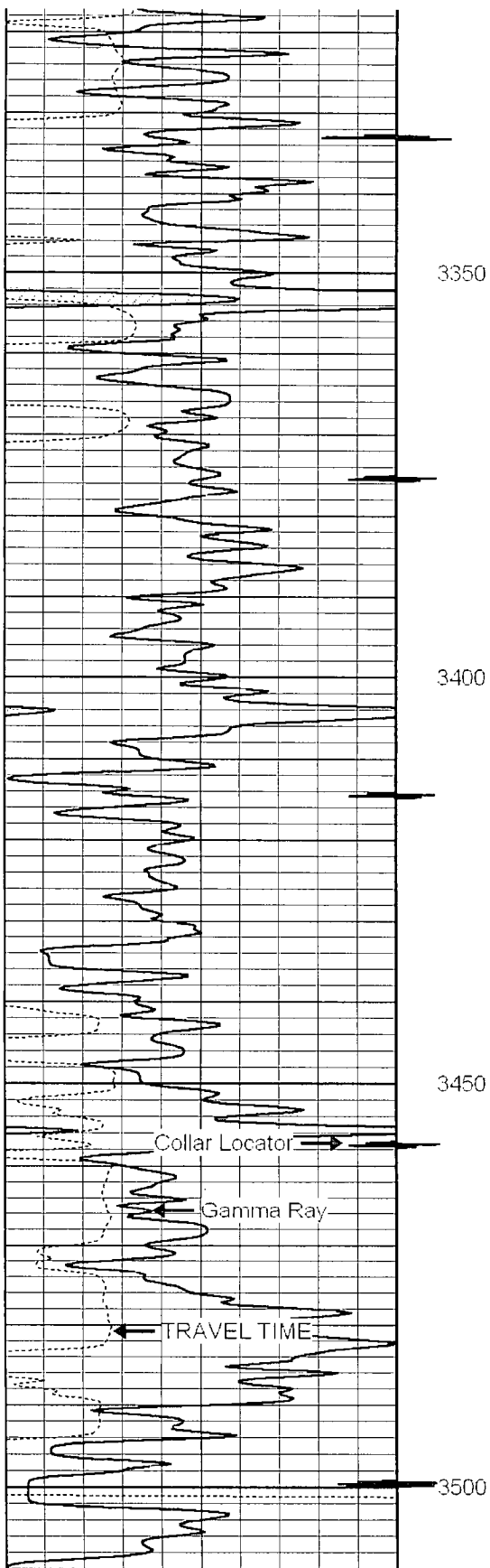
Corrected 10' to Schlumberger Platform Express Three
Litho-Density Detectors Compensated Neutron/GR Log Dated 18-jun-2001



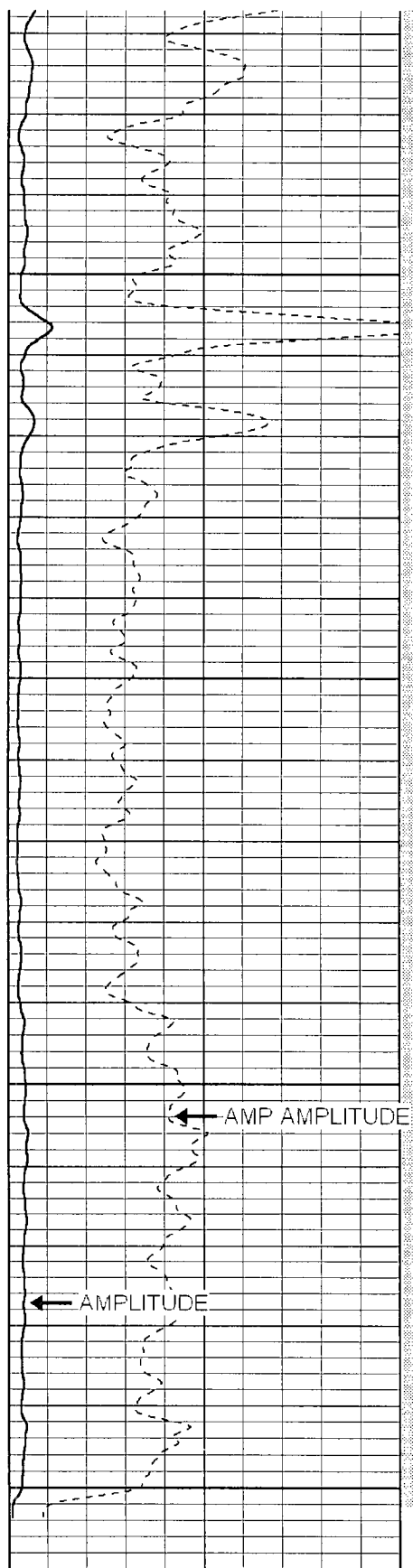
Main Pass

500 PSI

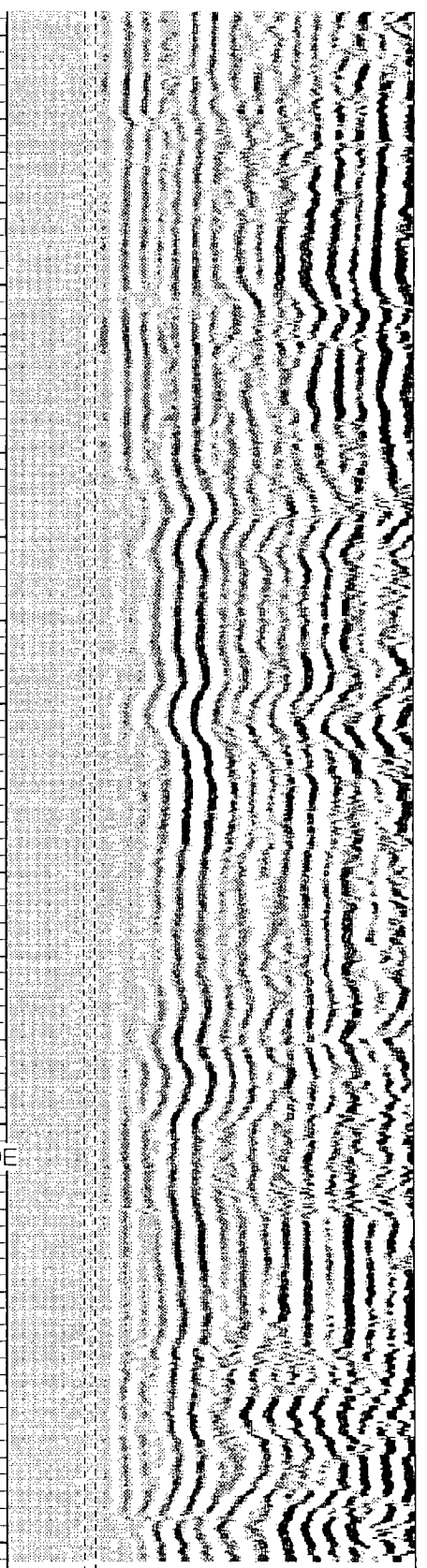




343	TRAVEL TIME (usec)	243
20	Collar Locator	-0.01
0	Gamma Ray (GAPI)	150



0	AMP AMPLITUDE (mV)	10
0	AMPLITUDE (mV)	100



← Free Pipe Gate

200	VDL	1200
Free Pipe Gate		